

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE OF PLANNING, DISPOSITIONS AND CONCESSIONS

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November 17, 2008

Start: 1:40pm

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HELD AT: Council Chambers
City Hall

B E F O R E:
DANIEL R. GARODNICK
Chairperson

COUNCIL MEMBERS:
Gale A. Brewer
Inez E. Dickens
Sara Gonzalez

A P P E A R A N C E S (CONTINUED)

Carol Clark
Assistant Commissioner
HPD

Gary Sloman
Director of Operations, Division of Housing
Supervision
HPD

Joe Lynch
Attorney representing the owner
Nix and Peabody

Eileen Popkin
Assistant Deputy Manager
NYSHA

Ruth Ann Viznaskus
Assistant Commissioner
HPD

Mark Altheim
Principal
Atlantic Development

Anna Levin
Chair
Community Board 4's Clinton Hell's Kitchen Land Use
Committee

Joe Ristuccia
Executive Director, Co-Chair
Clinton Housing Development Company, CB4 Housing and
Human Services Committee

Sara Desmond
Executive Director, Co-Chair
Housing Conservation Coordinators, CB4 Housing, Health
and Human Services Committee

A P P E A R A N C E S (CONTINUED)

Maria Guzman
President
Tenant Association at Harbor View

Geralyn Pireen
Executive Director
Citizens Housing and Planning Council

Miguel Asaveto
Resident, Member, Director
Robert Fulton Houses, CB4, Fulton Youth for the Future

Jimmy Pulsy
Member
Community Board 4

Eugene Glaiborman
President, Member
Chelsea Midtown Democratic Club, CB4 Land Use
Committees

Velma Murphy-Hill
President, Member
Chelsea Communtiy Council, CB4

Brad Lander

Dave Hansel
Policy Director
Association for Neighborhood and Housing Development

Kathleen Treat
Chair
Hell's Kitchen Neighborhood Association

Deley Gazinelli
Executive Director, Member
Chelsea Sculpture Park, CB4 Housing Committee

A P P E A R A N C E S (CONTINUED)

Dahlia DuPerroir

Member

West Side Neighborhood Alliance, Steering Committee

Lisa Burris

Director

Project of Lower East Side public housing residents

CHAIRPERSON GARODNICK: Good

afternoon everybody. Welcome to the sub-committee on Planning, Dispositions and Concessions. This is a sub-committee of Land Use of the New York City Council. Today's date is Monday, November 17th. My name is Dan Garodnick and I have the privilege of chairing the sub-committee. I'm joined today by committee members Inez Dickens of Manhattan and Sara Gonzalez of Brooklyn and Council Member Gale Brewer of Manhattan; delighted to have her here.

We have a couple of items on the agenda today. I know that there is a fair amount of interest in the Harbor View item, Land Use 919 and 920. But I am going to, as expeditiously as I can here, deal with the other small items that we have already on the agenda. I'm going to ask Ms. Clark from HPD to join us and we're going to start with pre-considered Land Use for Maria Lopez Plaza. This is Bronx Community Board 4 20095181HAX, this is an HPD application for consent for the voluntary dissolution of re-development company, conveyance related approvals. Ms. Clark if you could introduce your team over

1
2 there and we'll go right ahead and get started and
3 open the hearing on this item.

4 CAROL CLARK: Thank you Mr.
5 Chairman. I'm Carol Clark, Assistant Commissioner
6 of HPD. I'm joined by Gary Sloman, the Director
7 of Operations for HPD's Division of Housing
8 Supervision and Joe Lynch, the attorney from Nix
9 and Peabody who is representing the owner here.
10 Gary is going to give the testimony on this item.

11 GARY SLOMAN: Good afternoon.
12 Maria Lopez Plaza consists of two occupied
13 buildings with a total of 215 residential units,
14 currently owned by an Article 5 redevelopment
15 company, Urban Asacion Maria Lopez Housing
16 Company, LP. A new housing development fund
17 corporation organized pursuant to Article 11 i.e.,
18 Maria Lopez HDFC will acquire and rehabilitate the
19 buildings.

20 In accordance with the requirement
21 of Article 5 of the PHFL, HPD requests approval by
22 the Council of the proposed voluntary dissolution
23 of the current Article 5 and termination of the
24 Article 5 tax exemption. In addition, HPD
25 requests approval of the Article 11 tax exemption

1

2 for the new entity which will allow the units to
3 be affordable to individuals and families whose
4 income does not exceed 60% of the area media
5 income and that will be for 30 years.

6 CHAIRPERSON GARODNICK: Thank you.
7 Anything else to add?

8 JOE LYNCH: Yes, just real quickly.
9 The principals from Omni New York are here, Mr.
10 Mulvawn and JH Snerer here as well. They will be
11 developing the property. Just to add a little to
12 Gary's statement. We are going to be financing
13 the property with tax exempt bonds, which means
14 we'll have a regulatory agreement for 30 years,
15 which will enable the property to remain
16 affordable and will have a contract to Section 8
17 housing assistant payment, HAP, contract for 20
18 from the date of closing.

19 CHAIRPERSON GARODNICK: Thank you.
20 If you could, you're asking us for the dissolution
21 of Article 5 and then the creation or allowance
22 for an Article 11. Just explain the differences
23 of practical matter for the property. What that
24 will mean for residents, what that will mean for
25 the property and the obligations going forward.

1
2 MR. LYNCH: Sure. Basically, there
3 really will not be a change as far as the
4 residents are concerned. The property currently
5 has a tax exemption under Article 5 of the Private
6 Housing Finance Law. We're asking for a
7 continuation of that tax exemption under Article
8 11. It will be a seamless transaction as far as
9 what the tenants will be concerned. There will be
10 no increase in rents to the residence and the
11 building will remain affordable and any vacancies
12 will be filled by people of the low income.

13 MR. SLOMAN: Just a technicality,
14 we're actually asking that the Article Five
15 exemption be terminated and be substituted with
16 the new Article 11 exemption of the same
17 magnitude.

18 CHAIRPERSON GARODNICK: Great. You
19 answered the question as to the tenants, which I
20 appreciate. Now tell me the actual difference for
21 you or for anybody else as to the Article 11 as
22 opposed to Article 5.

23 MR. LYNCH: I'll start. Really,
24 sir, I don't think there is any difference as far
25 as anybody else would have to be concerned about.

1
2 Article 11 is for housing companies, which purpose
3 is to rent for people of very low income. This
4 Section 8 HAP contract, which covers 100% of the
5 property will be extended and will be assigned to
6 the new owner. So that there will be no change.
7 There will be no change to the city as well for
8 the taxes that are collected.

9 CHAIRPERSON GARODNICK: Okay.

10 Forgive my pushing, this is just because I want to
11 make sure that the record is totally clear on the
12 subject. You're asking for a change from Article
13 5 to Article 11, there is no difference as far as
14 you're concerned for the purpose of the tenants.
15 Why are you asking for the change?

16 MR. LYNCH: The property currently
17 has an Article 5 tax exemption. Since the current
18 owner is under Article 5 they can not convey the
19 premises without the consent of the local
20 legislative body and they must dissolve in order
21 to terminate the tax exemption under Article 5.
22 This is the method that we have done before as
23 we've gone from Article 5s to Article 11s.

24 CHAIRPERSON GARODNICK: Thank you.

25 Seeing no other questions and no members of the

1
2 public wishing to testify on this item, we'll
3 close the hearing on pre-considered Land Use
4 involving the Maria Lopez Plaza in Bronx Community
5 Board 4 20095181HAX. Ms. Clark, just to be clear,
6 Council Member Arroyo has indicated her support of
7 this as well.

8 MS. CLARK: That is correct.

9 CHAIRPERSON GARODNICK: Thank you
10 and we will now open the hearing on Land Use
11 number 853 non-ULURP 20095004. It's one property
12 at 38 Marten's Street in the district of Council
13 Member Mathieu Eugene in Brooklyn. Go right
14 ahead.

15 MS. CLARK: Yes, I'm Assistant
16 Commissioner Carol Clark. I'm joined by Terry
17 Arroyo, the Director for HPD's Land Use. LU53
18 consists of the proposed disposition of one vacant
19 city owned building located, as you said, at 38
20 marten's Street through HPD's Asset Sales Program.
21 The proposed sponsor, Bernard Joseph, who was
22 selected through a competitive process will
23 conserve the six-unit building. The Council
24 Member Eugene has been briefed and supports the
25 project.

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2

CHAIRPERSON GARODNICK: Thank you.

3

I'm sorry, at the very beginning you said it is a

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six-unit building today?

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MS. CLARK: That's right and it

6

will be a six-unit building when it's sold.

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CHAIRPERSON GARODNICK: Sold in

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rehabilitation?

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MS. CLARK: That's right.

10

CHAIRPERSON GARODNICK: Tell us

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about the rehab.

12

MS. CLARK: Well through Asset

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Sales, as you know, buildings that don't require

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subsidy for rehabilitation or operation are sold

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at market value. In this instance, Bernard

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Joseph, the purchaser is going to do rehab in the

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building because it needs it.

18

CHAIRPERSON GARODNICK: You noted

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that Mr. Joseph was selected through a competitive

20

process?

21

MS. CLARK: That's correct. A

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request for offers is standard for the Asset Sales

23

Program.

24

CHAIRPERSON GARODNICK: Thank you.

25

Seeing no questions or members of the public

1
2 wishing to testify on Land Use 853 non-ULURP
3 20095004HAK, we'll close the hearing on that item
4 and open it on Land Use 864 non-ULURP 20095005HAK.
5 It's 72 and 74 Lot Street in Brooklyn, also part
6 of the Asset Sales Program and also in the
7 district of Council Member Eugene.

8 MS. CLARK: That's correct. The LU
9 number there is 854 and it consists of the
10 proposed disposition. Mr. Chairman?

11 CHAIRPERSON GARODNICK: You got it
12 right. It's my own notes that are interfering
13 here. Go ahead.

14 MS. CLARK: 854 consists of the
15 proposed disposition of two vacant city owned
16 buildings located at 72 and 74 Lot Street through
17 HPD's Asset Sales Program. The proposed sponsor,
18 Linda Salomon, selected through a competitive
19 process will conserve the six-unit building.
20 Council Member Eugene has been briefed and
21 supports this project.

22 CHAIRPERSON GARODNICK: Thank you
23 very much. Seeing no questions or members of the
24 public wishing to testify, we'll close the hearing
25 on Land Use 854 20095004HAK and open the hearing

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2 on Land Use 855 non-ULURP 20095007HAQ. This is a
3 property in Queens at 39-22 29th Street in the
4 district of Council Member Gioia.

5 MS. CLARK: Yes. LU 855 consists
6 of the proposed disposition of one vacant city
7 owned building located, as you noted, at 39-22
8 29th Street in Queens through HPD's Asset Sales
9 Program. The proposed purchasers, Shirley and
10 Nester Virella, were selected through a
11 competitive process. They plan to rehabilitate
12 this vacant eight-unit building. Council Member
13 Gioia has been briefed and supports the project.

14 CHAIRPERSON GARODNICK: Thank you.
15 Just tells us what happens after the
16 rehabilitation for the vacant buildings; the
17 vacant building here and the vacant buildings
18 before.

19 MS. CLARK: This building will be
20 rehabilitated. There are eight units. Once it's
21 rehabbed the owners intend to occupy one of the
22 units. Four of the units will be marketed to
23 families whose incomes are at or below 65% of the
24 HUD income limits, which as you know, are
25 approximately \$50,000 for a family of four.

1
2 CHAIRPERSON GARODNICK: And the
3 rest of the units?

4 MS. CLARK: Will be marked at
5 market rate.

6 CHAIRPERSON GARODNICK: Thank you.
7 Let's just back up for one second. I didn't ask
8 the question on the 854, the last one. There were
9 two vacant buildings, give us the break down on
10 that one.

11 MS. CLARK: The units are four
12 occupied and two vacant on 72 and 74 lot, which
13 are combined as a single building.

14 CHAIRPERSON GARODNICK: And after
15 the rehab, it will be still four occupied and it
16 will still be six total units.

17 MS. CLARK: That's right. That's
18 correct. The current tenants will be maintained
19 for two years at their current HPD rents.

20 CHAIRPERSON GARODNICK: And after
21 that time.

22 MS. CLARK: The building is rent
23 stabilized so they will be subject to the
24 increases of the rent guideline boards.

25 CHAIRPERSON GARODNICK: Thank you.

1
2 All right. So back to 855 you have the vacants.
3 One vacant building, rehab, competitive process
4 you said.

5 MS. CLARK: That's correct. The
6 Virellas actually are a Queens based business that
7 have an office on the same street as this
8 building. They've had experience working on other
9 HPD programs.

10 CHAIRPERSON GARODNICK: Thank you.
11 With that we will close the hearing on Land Use
12 855 non-ULURP 20095007HAQ. And we will move on to
13 what can only be described as the main event of
14 the day judging from the crowd that's here. This
15 is Land Use number 919 and 920, related items.
16 Harbor View of Manhattan Community Board 4,
17 C080400ZSM, that's Land Use 919. And Land Use 920
18 is C080401ZSM.

19 This is an application from NYSHA
20 pursuant to Section 197C and 201 of the City
21 Charter for--I'm not going to steal your thunder.
22 I'm going to allow you to describe the whole
23 project and exactly what you intend to do. I know
24 there are questions from this panel and also there
25 are a number of people here interested in

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2 testifying on this item. So Ms. Clark, if you'd
3 like to introduce the folks who are here we could
4 go ahead and get started on Harbor View.

5 MS. CLARK: Certainly Mr. Chairman
6 and members of the committee. The first person to
7 speak is the Assistant Deputy Manager of NYSHA,
8 Eileen Popkin. She'll be followed by Assistant
9 Commissioner of HPD, Ruth Ann Viznaskus. And then
10 the clean up hitter will be Mark Altheim, the
11 Principal of Atlantic Development. Ms. Popkin.

12 EILEEN POPKIN: Good afternoon. I
13 represent the New York City Housing Authority as
14 the applicant of the Harbor View ULURP application
15 before this sub committee today. My name is
16 Eileen Popkin, I am the Assistant Deputy General
17 Manager for Development in the Housing Authority.
18 And I thank you for the opportunity to testify
19 today at this hearing.

20 I am pleased to introduce you to
21 the proposed Housing Development Harbor View
22 Terrace. This project is a critical component in
23 the Mayor's affordable housing plan and NYSHA's
24 effort to seek ways to creatively strengthen
25 public housing through new development,

1
2 collaboration and the creation of new mixed income
3 communities.

4 The project represents an important
5 commitment by the Housing Authority to develop
6 affordable housing in Clinton. At the same time,
7 the fees generated by the disposition by this
8 under utilized site will allow NYSHA to reinvest
9 money in Harbor View and other public housing
10 developments throughout the city.

11 The Housing Authority is seeking
12 city approval of the ULURP application in order to
13 implement housing development proposal on a site
14 next to NYSHA's Harbor View Terrace. This is
15 located mid-block on West 55th Street between 10th
16 and 11th Avenues within Community District 4 in
17 Manhattan. The site is located on land that is
18 currently used as a parking lot and a basketball
19 court for NYSHA residents. It was approved by the
20 city as a third building site for Harbor View
21 Terrace in 1975 within a large scale residential
22 development under the Clinton Urban Renewal Plan.

23 The proposed development consists
24 of two mid-rise buildings with a total of up to
25 320 units. The ULURP application consists of the

1
2 following actions. First, a special permit to
3 modify building height and setback regulations
4 within a large scale residential development. And
5 second, a special permit to allow for the
6 development of two residential buildings over a
7 railroad right of way.

8 Combating actions requiring City
9 Planning Commission approval include one, the
10 authorization to distribute floor area, dwelling
11 units and open space without regard to zoning and
12 lot lines within a large scale residential
13 development and to reflect the current proposal on
14 a large scale residential development site plan.
15 And second, authorization to modify building
16 height and setback regulations and third,
17 authorization to relocate an existing required
18 accessory parking within the large scale
19 residential development.

20 Findings, as required by the zoning
21 resolution, have been incorporated into the ULURP
22 applications. Those findings along with required
23 environmental assessment concluded that the
24 physical aspects of the proposed development would
25 be compatible with the surrounding buildings and

1
2 would not create significant impacts on parking,
3 traffic, light and air access and privacy from
4 neighboring buildings.

5 Through community consultations
6 improvements have been made to the development
7 plan that would benefit both new and existing
8 residents. An example is the integrated open
9 space plan to the public walkway between Harbor
10 View Terrace and the proposed buildings to upgrade
11 plaza at Harbor View Terrace with better lighting
12 and landscaping. Both NYSHA and HPD are committed
13 to continuing to work with and want to continue to
14 refine this project. Thank you.

15 RUTH ANN VIZNASKUS: Good afternoon
16 Chair Garodnick and members of the Planning sub-
17 committee. Thank you for the opportunity to
18 testify today. My name is Ruth Ann Viznaskus and
19 I'm the Assistant Commissioner for New
20 Construction Finance at HPD. I'm going to talk a
21 little bit about the process that NYSHA and HPD
22 have been involved regarding the Harbor View site
23 and the discussions that we've had, which resulted
24 in the project that you have before you.

25 The Harbor View site is one of

1
2 three sites that comprise the west side site's
3 RFP, which was issued jointly by HYSHA and HPD in
4 December of 2006. The purpose of the RFP was to
5 create permanently affordable moderate and middle
6 income housing on NYSHA owned land. In addition,
7 this project is part of the Mayor's new housing
8 marketplace plan. It is part of the HPD/NYSHA
9 initiative to develop housing on NYSHA owned land.
10 And it's part of HPD's middle income housing
11 initiative to reach hard to serve moderate and
12 middle income households.

13 The RFP called for the construction
14 of one or two buildings with at least 155
15 affordable units and 210 units total. The
16 buildings were capped at a height of no more than
17 15 stories. The RFP required the replacement of
18 37 NYSHA parking spaces. After a competitive
19 process, Atlantic Development and Met Council were
20 designated for the Harbor View site at the end of
21 2007. In addition to meeting the RFP housing
22 targets and providing a suitable land acquisition
23 price for NYSHA, their designation was also based
24 on Atlantic's passed experience of construction
25 over an Amtrak rail cut.

1
2 The project consists of two
3 buildings. The northern building is planned to be
4 all affordable. It is half senior units and half
5 family units, up to a total of 126 units. The
6 southern building is planned to be a mixed income
7 development with both market rate and affordable
8 units. It will contain up to 194 units. Combined
9 this project will create 320 new housing units.

10 I'm happy to answer any questions.
11 We'll now turn to Mark Altheim of Atlantic to
12 present the renderings and the plans of the
13 proposed project.

14 MARK ALTHEIM: Good afternoon
15 Chairman Garodnick and members of the Planning
16 sub-committee and Council Member Brewer. My name
17 is Mark Altheim and I am the principal of Atlantic
18 Development Group. Our company was founded in
19 1995 and is focused on developing affordable and
20 market rate residential properties. In the passed
21 10 years Atlantic has created over 60 projects
22 with more than 6,000 units of affordable housing
23 in Manhattan and the Bronx.

24 I am pleased to be here today to
25 present the project we propose to building at

1
2 Harbor View. As Ms. Popkin and Ms. Voznaskus have
3 stated, Atlantic proposes to develop two buildings
4 with up to 320 units on a portion of the Harbor
5 View NYSHA site that is currently occupied by a
6 surface parking lot on the northern half of the
7 site and a basketball court play area on the south
8 side of the site.

9 On the northern side of the site,
10 which is the bottom one over there, we are
11 proposing to develop no more than 14 stories in a
12 building that will contain up to 126 units of
13 housing for seniors and families, earning up to
14 80% of the New York City area median income.
15 While our original proposal called for this
16 building to be entirely for seniors, pursuant to
17 agreements we have reached with the borough
18 president and the City Planning Commission along
19 the ULURP path, we have agreed to set aside half
20 of the floor space in the northern buildings for
21 families.

22 While Atlantic Development Group
23 will develop the property, we will turn over
24 ownership to Met Council and Jewish Poverty to own
25 and operate when the building is complete.

1
2 On the south side of the site, that
3 would be the upper one, we propose to develop a 15
4 story structure containing up to 194 units for a
5 mix of moderate, middle income and market rate
6 families. The affordable units will be set aside
7 for a wide range of moderate and middle income
8 households in various income tiers. With some
9 units being affordable to households with incomes
10 starting at 80% of the median income and ranging
11 up to 165% of the New York City median income.

12 The architect for this development,
13 Ishmael Lavor Architects, has created a design
14 where the north and south buildings will be
15 connected by a first floor parking garage, which
16 will replace the at grade parking than currently
17 exists on the site for the NYSHA residents. The
18 garage will be accessed off of West 55th Street
19 and West 56th Street and will provide secure
20 covered parking.

21 Additionally, Atlantic will improve
22 the walkway area between the proposed new
23 buildings and NYSHA's Harbor View Terrace, that is
24 that area on the left here, that walkway will be
25 improved. This will be a significant improvement

1
2 of what currently exists at this site as it
3 relates to that walkway.

4 Some have questioned why this
5 Housing Authority site would include market rate
6 units in this development as opposed to being 100%
7 affordable. The reason for this is threefold.
8 The amount of government funding needed to develop
9 an all affordable project in the middle of
10 Manhattan over an Amtrak line is cost prohibitive.
11 The limited number of market rate units planned
12 for this development cross-subsidize the
13 development of the middle income and affordable
14 units.

15 The purchase price to NYSHA
16 necessitates that the property produce some
17 revenue. Rental income is needed to support a
18 debt service that, unfortunately, affordable units
19 alone can not generate. The site itself presents
20 an enormous construction challenge as an Amtrak
21 railroad cut runs diagonally through the site.
22 Therefore construction costs are going to be
23 greater than normal.

24 I wish to note that Atlantic
25 Development Group's specialized experience in

1
2 meeting the substantial design challenges
3 associated with the construction of residential
4 housing over a rail track. Nearby at 33 West End
5 Avenue which is on the corner of West 61st Street,
6 our firm recently created a successful 330 unit
7 residential complex that overlapped with an
8 existing Amtrak rail line. 33 West End Avenue is
9 comprised of affordable housing, senior housing
10 and market rate units, not unlike what we're
11 proposing today.

12 Our company addressed and overcame
13 the full spectrum of design and engineering
14 challenges associated with building this building.
15 Atlantic Development Group and Met Council are
16 committed to continuing to work with HPD, NYSHA,
17 elected officials and members of the community
18 come up with an economically feasible plan. In
19 the end we are confident we will create a vibrant
20 integrated community that will enhance the quality
21 of life in the Clinton neighborhood. Thank you
22 for this opportunity.

23 CHAIRPERSON GARODNICK: Thank you.
24 Thanks to all of you for your introduction. I
25 know that there are a number of questions from my

1
2 colleagues. I wanted to start off just to make
3 sure that I put some of this in context for myself
4 so that I understand. There was some discussion
5 about the Clinton Urban Renewal area and as I
6 understand it that is about six blocks from 10th
7 to 11th Avenues that was condemned in 1969. Is
8 that correct?

9 MS. CLARK: Yes. That's correct.

10 CHAIRPERSON GARODNICK: And it was
11 condemned for the purpose of what?

12 MS. CLARK: We can get you the
13 exact definition. I don't have that with me, sort
14 of the language that was in the urban renewal--

15 CHAIRPERSON GARODNICK:
16 [interposing] I don't need the language. There
17 are affordable units. There is NYSHA property
18 there. I don't know if this was condemned for the
19 purpose of building NYSHA housing or if it was
20 condemned for a railroad or if it was condemned
21 for a highway--

22 MS. CLARK: [interposing] It was
23 for housing. It was for housing.

24 CHAIRPERSON GARODNICK: Okay. Was
25 it condemned for the purpose of public housing?

1
2 MS. CLARK: As I understand it, I
3 don't know it specifically. It was for a
4 significant amount of low income housing. I don't
5 know the percentage it was directly for public
6 housing. I can't answer that.

7 CHAIRPERSON GARODNICK: Do you know
8 what was there before it was condemned?

9 MS. CLARK: I don't know. I'll
10 have to get back to you.

11 CHAIRPERSON GARODNICK: This is
12 important. My suspicion is is that we're not
13 going to be voting on this today. The reason I
14 asked the question, you come here today in the
15 context of other redevelopments. We just voted on
16 Willis Point last week where there were lots of
17 discussions of what the public purpose is or
18 should be before you take city action of
19 condemnation. Obviously there were things there.
20 There were either businesses, people living there
21 or whatever it was back in 1969. This property
22 was condemned for a purpose. My suspicion and I'd
23 like to confirm this, is that it was for housing
24 and that it was for public housing, at least at
25 the outset.

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MS. CLARK: It was for housing.

3

We'll get you the exact language of the type of

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housing.

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CHAIRPERSON GARODNICK: Okay. In

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an urban renewal area, you can help me understand

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this. Do you need to amend an urban renewal area

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in order to allow market rate housing or is that

9

something that you can just go ahead and do in an

10

urban renewal area?

11

MS. CLARK: We can do that in that

12

area.

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CHAIRPERSON GARODNICK: The housing

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that's being proposed here, there is more of a

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connection to surrounding areas. This was somehow

16

part of the Hudson Yards Redevelopment. Is that

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correct? Can you explain that to us?

18

MS. CLARK: Correct. It was a site

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that was committed to be developed pursuant to the

20

Hudson Yards rezoning.

21

CHAIRPERSON GARODNICK: So the

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Harbor View plan that we're looking at today was

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the off site mitigation for Hudson Yards?

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MS. CLARK: It was one of a series

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of sites that was committed to in the discussions

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on Hudson Yards. I'm not sure.

CHAIRPERSON GARODNICK: I wouldn't suggest it was the only site but this site was supposed to be the off site, at least in part, mitigation...

MS. CLARK: Yes.

CHAIRPERSON GARODNICK: ...for the Hudson Yards rezoning?

MS. CLARK: Correct.

CHAIRPERSON GARODNICK: And it was supposed to be affordable housing mitigation?

MS. CLARK: Yes, there were specific unit counts that were in the agreements.

CHAIRPERSON GARODNICK: Okay. Let's talk about that for a second. What were the unit counts for the Hudson Yards agreement as to what would be placed here at Harbor View?

MS. CLARK: I mentioned this in my testimony earlier--

CHAIRPERSON GARODNICK: [interposing] Sorry to go back.

MS. CLARK: It's fine. The commitment was there would be 155 affordable units and there would be approximately 210 units total.

1
2 CHAIRPERSON GARODNICK: So it was a
3 range of 155 to 210 units?

4 MS. CLARK: It was a commitment of
5 155 affordable and then the anticipation that
6 there would be up to 210 total on the site.

7 CHAIRPERSON GARODNICK: So
8 potentially 55 non-affordable, is that what you
9 are saying?

10 MS. CLARK: Correct.

11 CHAIRPERSON GARODNICK: Okay. I'm
12 going to allow one of my colleagues, probably
13 Council Member Brewer, to take you through the
14 affordability on this. But I want to understand
15 that you have one of the buildings is for seniors
16 and families and that's the one which has no
17 market rate units as proposed.

18 MS. CLARK: Correct.

19 CHAIRPERSON GARODNICK: And that's
20 the north site.

21 MS. CLARK: Correct.

22 CHAIRPERSON GARODNICK: And then
23 the south site is the one which is the mix where
24 you have 194 units as proposed, 122 are at the
25 market and 72 are at affordable from 80% to 165%

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of AMI is that right?

MS. CLARK: The split was slightly modified throughout the ULURP process. It's 82 and 112.

CHAIRPERSON GARODNICK: 82 and 112. Okay. So the 82 are 80% to 165% of AMI.

MS. CLARK: Correct.

CHAIRPERSON GARODNICK: And the 112 are at the market.

MS. CLARK: Correct.

CHAIRPERSON GARODNICK: Okay. You talked about the RFP that was put out, the partnership between HPD and NYSHA. If approved, would this be the first NYSHA property to have market units on it?

MS. CLARK: Yes.

CHAIRPERSON GARODNICK: Okay. The RFP as I understood it from my initial briefings on this was something that affected Chelsea and this particular area right here. It was not broader than that. Is that right?

MS. POPKIN: Right.

CHAIRPERSON GARODNICK: Sorry. Just state your name before you answer since we

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2 have a new person.

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MS. POPKIN: I'm sorry. It's Eileen Popkin. It included three sites in the RFP.

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CHAIRPERSON GARODNICK: Three sites. Now is this part of a larger plan by NYSHA to include the market rate units on their own property?

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MS. POPKIN: NYSHA is looking at provided, under the Mayor's housing plan commitment for 6,000 units of affordable housing. As part of that commitment is also looking at a range of affordabilities that could include other sites with market rate units.

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CHAIRPERSON GARODNICK: I'm sorry. When you say other sites you mean other NYSHA sites?

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MS. POPKIN: Other NYSHA sites, right.

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CHAIRPERSON GARODNICK: Within the Mayor's plan it includes 6,000--

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MS. POPKIN: [interposing] Affordable housing units. I'm sorry, I apologize. It's 5,000 affordable housing units.

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2 CHAIRPERSON GARODNICK: Okay. All
3 right. So the Mayor's plan includes 5,000
4 affordable units on NYSHA properties and how many
5 did you say?

6 MS. POPKIN: Additionally, some of
7 those sites could be mixed income that would
8 include market rate units going forward.

9 CHAIRPERSON GARODNICK: Is there
10 any...

11 MS. POPKIN: No.

12 CHAIRPERSON GARODNICK: ...number
13 attributed to the non-affordable?

14 MS. POPKIN: No. Market rate, no.

15 CHAIRPERSON GARODNICK: Okay.
16 Market rate. Thank you. You can see where my
17 head is. All you have that's in the Mayor's plan
18 is a desire to find locations--

19 MS. POPKIN: [interposing] We have
20 a--

21 CHAIRPERSON GARODNICK:
22 [interposing] Let me finish my question just so
23 that we don't talk over one another. 5,000 units
24 of affordable on NYSHA property.

25 MS. POPKIN: Commitment to provide

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5,000 units.

CHAIRPERSON GARODNICK: And in openness to look for other opportunities on NYSHA property for additional development but this is what you have a commitment for?

MS. POPKIN: Correct.

CHAIRPERSON GARODNICK: I'm sorry. Just to go back to your correction of me a moment ago. On market housing on NYSHA properties, there is no commitment to doing that by the Mayor? This is not part of the plan?

MS. POPKIN: It is not a specific part of the Mayor's affordable housing plan. It is something NYSHA is looking at in context of its overall financial needs.

CHAIRPERSON GARODNICK: All right. Let's talk about NYSHA's financial needs. Obviously something we're very aware of at the Council and are eager to be supportive of. One point which certainly makes this a complicated issue, I think, what will this do for NYSHA exactly? What would this generate in terms of revenue for NYSHA if approved?

MS. POPKIN: This specific project

1
2 could generate up to \$15 million in income that
3 would be used for Harbor View and other
4 developments within NYSHA's portfolio.

5 CHAIRPERSON GARODNICK: \$15
6 million, period or \$15 million on an ongoing
7 basis?

8 MS. POPKIN: The total acquisition
9 price is up to \$15 million for the proposal.

10 CHAIRPERSON GARODNICK: Okay. So
11 you would--

12 MS. POPKIN: [interposing] At one
13 time, as a--

14 CHAIRPERSON GARODNICK:
15 [interposing] So NYSHA would sell the property.

16 MS. POPKIN: It could be a sale or
17 there are discussions about potential lease.

18 CHAIRPERSON GARODNICK: Okay. And
19 that would generate \$15 million.

20 MS. POPKIN: Correct.

21 CHAIRPERSON GARODNICK: What about
22 after that fact? Is there any ongoing benefit to
23 NYSHA from this arrangement or is it just simply
24 the sale or the lease?

25 MS. POPKIN: In this current

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2 project, the discussion was to be a sale,
3 potentially it could be a lease that might be
4 structured. But there are other sites going
5 forward that might be different. But for NYSHA
6 the RFP had a sale as a one-time revenue.

7 CHAIRPERSON GARODNICK: So sale or
8 lease your estimate is \$15 million?

9 MS. POPKIN: Yes, up to \$15
10 million.

11 CHAIRPERSON GARODNICK: Up to \$15
12 million. Now this development here we discussed
13 before that this was part of the mitigation for
14 Hudson Yards. Is this development and its
15 inclusion of affordable housing in this particular
16 district generating any bonus outside of the
17 Harbor View property?

18 MS. CLARK: One of the two
19 buildings would be developed through the
20 inclusionary zoning programs. So it would provide
21 a density bonus to an off site building.

22 CHAIRPERSON GARODNICK: I'm sorry.
23 How much of a bonus would it be afforded?

24 MS. CLARK: The building is
25 anticipated to be up to a number of square feet,

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2 which I will get you in a second, which would
3 then--about 113,000 square feet on site that would
4 generate a bonus into the community, an
5 inclusionary zoning bonus. It's 113,000, the
6 building in and of itself so it would generate,
7 because it's new construction through the R10
8 exclusionary program it's providing a 4:1 square
9 footage bonus so it would be 113,000 square feet
10 times four so 400,000

11 CHAIRPERSON GARODNICK: Four and
12 change. Is there precedent for this concept? One
13 of the things which jumps out at me is here you
14 have mitigation for Hudson Yards, so development
15 which is allowed to go to a certain density.
16 Mitigation off site which itself is generating
17 bonusable activity outside, is there precedent for
18 that?

19 MS. CLARK: It's separate from the
20 Hudson Yards so it's not providing a bonus to any
21 project within Hudson Yards. It's sort of outside
22 of that because it's utilizing the R10 program.
23 In terms of precedents, we didn't anticipate that
24 the site would be utilizing the inclusionary
25 zoning program. But when the responses came in,

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2 it was a creative way that Atlantic had designed
3 the project that provided affordable housing and a
4 purchase price more creatively than we
5 anticipated.

6 CHAIRPERSON GARODNICK: I wasn't
7 suggesting that the bonusable development would be
8 in the Hudson Yards rezoning area. But just the
9 fact that it is creating additional development
10 rights when this itself was supposed to be the
11 mitigation for development rights, that's sort of
12 where I'm going and I'm a little confused on that
13 point.

14 MS. CLARK: And your question is
15 has that been done before?

16 CHAIRPERSON GARODNICK: Correct.

17 MS. CLARK: I don't know the answer
18 to that. I can find out.

19 CHAIRPERSON GARODNICK: Would you?
20 That would be very useful along with the other
21 issues about condemnation. I've taken plenty of
22 time here. I know Council Member Brewer has a
23 number of questions, too. So I'm going to turn it
24 over to her.

25 COUNCIL MEMBER BREWER: Thank you

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Mr. Chair. Thank you everyone who ha participated in this long struggle. Just picking up on a couple of things that Dan Garodnick asked about, one is that the urban renewal area, would HPD agree that if this project goes forward that--I think that the urban renewal area which is a city urban renewal area. I'm more familiar with the federal but the city one I think this particular one ends in June 2009. Is that correct?

MS. CLARK: I don't know the exact month but it does expire in 2009.

COUNCIL MEMBER BREWER: Okay. Then would it be possible that as part of this renewal process o this ULURP process that we also have a continuation, a promise to continue this urban renewal plan so that we are confident that in the future any discussion of housing in the urban renewal plan would take into consideration what that plan calls for?

MS. CLARK: I don't have an answer on that today but I can get back to you with an answer.

COUNCIL MEMBER BREWER: Second question is I know there's always a discussion

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2 about leasing versus outright sale. And I think
3 those of us in the community who have discussed
4 this would prefer that something like a 99 year
5 lease to Atlantic be part of the agreement and not
6 a sale. Is that okay with you?

7 MS. POPKIN: The RFP originally
8 contemplated a sale so that was the terms
9 originally selected. We have heard that request
10 and it's something we can have a discussion on but
11 I can't say specifically at this point.

12 COUNCIL MEMBER BREWER: If there
13 was a lease agreement as opposed to a sale, then
14 we would like to know if it would be possible to
15 have a deed restriction under the regulatory
16 agreement for all the units by whatever income
17 band is agreed to, to be permanently affordable.
18 That would give us the hook so that into the
19 future whatever is agreed to in terms of the band
20 would be something for perpetuity. Would that be
21 possible?

22 MS. POPKIN: It would be a deed
23 restriction on whether it was a sale or a lease.

24 COUNCIL MEMBER BREWER: Okay. But
25 would it be stronger if it was a lease?

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2 MS. POPKIN: It would be equally
3 strong if it was a sale or a lease.

4 COUNCIL MEMBER BREWER: The other
5 question I have is I believe on the very
6 distinguished Council Member from Harlem when she
7 negotiated along with her colleagues the absolute
8 horror of 125th Street. She did put together an
9 advisory council and we would like to the same
10 here, in other words, resident, Community Board.
11 It's not as complicated as 125th Street but we
12 would like to know going forward, landscaping,
13 lighting and so on. Whoever is doing the rent up,
14 those would be the kinds of things that I think an
15 advisory board should be part of.

16 I say this because this is
17 precedent setting. This is the first time that
18 NYSHA has worked with HPD and the community to
19 sell its land. So will that be something that
20 also could be part of any negotiated discussion?

21 MS. CLARK: Yes.

22 COUNCIL MEMBER BREWER: The other
23 question I have is what are the numbers that you
24 have looked at? When I add the numbers that you
25 just mentioned, I get 274 but you mentioned the

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word 320. So how do you get to 320 when I get to 274? Did I add wrong?

MS. CLARK: There are up to 194 units in the south building and up to 126 units in the north building and that totals 320.

COUNCIL MEMBER BREWER: Okay. Because I think Atlantic, you mentioned something a little bit different but that's what you come up with. Okay. The issue of the building that is not the IZ, the issue of the south building, how would it be possible so that that building is majority if not close to, affordable as opposed to market? Those of us who participated in early discussion, and I wasn't part of the original Hudson Yards negotiations. I was, I guess people didn't realize that this portion was in my district. I didn't go to the meetings.

So my question is we were always under the impression that as part of the Hudson Yards mitigation this would be a very majority affordable. And perhaps focused on middle and moderate so that people who are living in NYSHA could in fact, who are over income or who are over crowded and children who have done well could move

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2 into these buildings. That was always the concept
3 behind Harbor View. Those of us who attended the
4 meetings with the president of the tenant
5 association sold it to people on that basis.

6 So my question to you is how could
7 HPD in particular provide more dollars per unit so
8 that the south building could be something closer
9 to what we were promised? Again, this is not
10 Atlantic's problem this is HPD's problem. How are
11 we going to get from 40,000 to 90,000 per unit in
12 terms of a subsidy?

13 MS. CLARK: I wanted to clarify on
14 the splits between the market and the affordable.
15 So now the south building has a greater percentage
16 of market rate units than affordable units.

17 COUNCIL MEMBER BREWER: Yes, it
18 does.

19 MS. CLARK: But the market rate
20 units are almost entirely concentrated in studios
21 and one bedrooms. The affordable units are almost
22 entirely concentrated in twos and threes. So the
23 unit count is skewed towards the market rate
24 because they're all very small units, which from a
25 market perspective is what Atlantic would like to

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2 produce. On a square footage basis that shifts
3 and we have a higher percentage of the square
4 footage for affordable than we do for market rate.

5 COUNCIL MEMBER BREWER: We want
6 50/50. We want it so that whether--we can spend
7 many discussions on the size but we want those
8 units to be at least 50% affordable in some kind
9 of AMI. How are we going to get there?

10 MS. CLARK: I think we'll have to
11 continue to discuss that. As I said, we have over
12 50% of the square footage affordable but we have
13 not been able to get a viable project that
14 achieves that--

15 COUNCIL MEMBER BREWER:
16 [interposing] Okay. There is another project that
17 is also part of the Hudson Yards mitigation
18 discussion. I believe another development also in
19 Community Board number 4. What's the market share
20 in terms of affordable and market at that
21 particular development?

22 MS. CLARK: Which? I'm not sure
23 which development--

24 COUNCIL MEMBER BREWER:
25 [interposing] In Chelsea.

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2 MS. CLARK: The other two sites
3 that are part of the West Side sites RFP which are
4 Elliott Chelsea and Fulton.

5 COUNCIL MEMBER BREWER: Yes.

6 MS. CLARK: Both of those at the
7 time of the points of agreement were committed to
8 be 100% affordable and they still have that same
9 mix.

10 COUNCIL MEMBER BREWER: So why
11 would they be 100% affordable and this
12 development, under the RFP not Atlantic's fault,
13 not be 100% affordable.

14 MS. CLARK: As you mentioned, I
15 wasn't there at the time, at the point of
16 agreement or the negotiations either so I don't
17 know how that decision was made.

18 COUNCIL MEMBER BREWER: But it
19 wasn't a good one. The question, I want to read
20 the points of agreement that was agreed to. The
21 administration agrees, subject to HUD approval, to
22 develop affordable housing at Harbor View and it
23 gives its location. The administration
24 anticipates this site will generate 155
25 affordable, including 63 low income units up to

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2 60% of AMI, 46 moderate income up to 135% AMI and
3 46 middle income up to 165% AMI. Then it talks
4 about the height of the buildings and how we will
5 all work together to get to this point. It talks
6 about the units being permanently affordable,
7 which I think we can agree to as soon as we have
8 that deed restriction, however that's structured.
9 I just mention this because that is not what we
10 have.

11 We really were promised as recently
12 as December before the RFP went out that a small
13 number would be market but the majority of units,
14 whether they're one bedrooms, studios or family
15 units would be affordable and there would be a
16 range. I think that's why you see a lot of people
17 here today and why you've got a lot of discussion.
18 Not only is it important for Harbor View, it's
19 important for the precedent of this entire
20 discussion in terms of the Housing Authority.
21 We're all very conscious.

22 What I'm saying is that between the
23 purchase price, HPD and NYSHA, everybody has to
24 give some to get to the points of agreement that
25 were originally promised. However we get there, I

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don't know, but we have to get there.

MS. CLARK: I actually have one clarification. The other difference between Harbor View and the other two sites is two things. One is that the site was envisioned to have a purchase price which the other sites were not. The other is that because it is over a rail cut--

COUNCIL MEMBER BREWER:

[interposing] Atlantic has done a great job on 61st Street and West End Avenue. I'm the first to say that. But there are other developments all over the city now that are being done. It costs money to build the structure; I understand that. But I don't think that that should be the reason why we're not keeping up to our promise, which is what was promised to the community. If we can't keep our promise then I don't know what we can go on in terms of public policy.

The final question is in terms of the bonus. I think the community is concerned and I'm sure they'll talk about it and certainly the Chair brought this up, that because there is the financing with the inclusionary zoning on this site, it then transfers to other sites. Do you

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2 know where that transfer will be and what will be
3 the result?

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MR. ALTHEIM: It hasn't been
5 finally determined where those rights will be
6 transferred.

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COUNCIL MEMBER BREWER: Nothing on
8 42? I actually know the answer to my questions
9 before I ask them so I'm just being very
10 challenging with it. I know one developer who has
11 called to say that he is interested on 42nd
12 Street. I'm just wondering because that will
13 increase a bulk elsewhere as the Chair indicated
14 earlier. And that's a challenge for the community
15 in terms of planning and being part of the urban
16 structure, again, not's Atlantic's issue or
17 problem.

18

But the city's we're building
19 elsewhere when in fact this is supposed to be on
20 site affordable as a mitigation to Hudson Yards.
21 How do you respond to that?

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MR. ALTHEIM: One of the sites that
23 is interested is on 42nd Street, as I said
24 earlier. It has not been finally determined where
25 the benefits would go but I understand your

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concern.

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COUNCIL MEMBER BREWER: Okay. All right. Thank you Mr. Chair. I think you were very clear. I have a lot of concerns and we look forward to working with you on it.

CHAIRPERSON GARODNICK: Thank you Council Member Brewer and for your advocacy on this issue. I now turn to Council Member Dickens.

COUNCIL MEMBER DICKENS: Thank you Mr. Chair. This is in my colleague's district. I've been to her decision in knowing what her constituents needs are and in working towards that end. However there are two things that I have concerns about. One is the sale of NYSHA land and I tend not to go along with the sale; I prefer a leasing of NYSHA land to the sale of NYSHA land. I think we need to retain ownership of as much of our land as we possible can, that's one.

The second part, having non-affordable and Chair I like that term versus the market term. Having non-affordable units in a NYSHA development, I fear sets a precedence that this administration will use citywide in other NYSHA developments. And in addition, I feel that

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2 that's in direct conflict with the reason for the
3 creation of NYSHA developments in the first place.

4 NYSHAs were created to be
5 affordable for the people of the City of New York.
6 Now, today, we are contemplating taking a 50% of
7 those units and making them market. I think that
8 this is just a start. If we do this here, that it
9 is the start of what will be done throughout the
10 city. I wanted to just put that on the table.

11 I have discussed it with Council
12 Member Brewer and I recognize the dire straits
13 that the city is in. The city is in dire straits
14 but so are the people of the City of New York.
15 They can not afford non-affordable or market unit
16 rates. So I have a real fear of what we're about
17 to do or what we're contemplating doing. And I
18 just wanted to put that on the table and make it
19 very clear. Thank you.

20 CHAIRPERSON GARODNICK: Thank you
21 Council Member Dickens. We now have a number of
22 members of the public who have joined us today.
23 We're going to invite them up in panels of four to
24 testify. We thank you all for your testimony as
25 the applicants here but we're going to now move to

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the public session.

Let me just tell you how this all goes. If you're interested in speaking you have filled out one of these appearance cards that I now have in front of me. We're going to start with a panel in opposition and then we're going to move to a panel in favor. We're going to alternate to the extent that we have people on the varying sides of the issue. I will say that there appear to be considerably more folks in opposition than in favor so we may just do consecutive panels in opposition when we run out of folks in favor.

You'll have three minutes each. There's a clock up there, which you can keep your eye on. Please let me apologize in advance if I stop you at three minutes. It's only because I want to be accommodating to everybody's who is here. We're going to move this as quickly as we possibly can while giving everybody who is here an opportunity to say whatever it is they want to say. So with that, Anna Levin please come join us at the table. Joe Ristuccia, Sara Desmond and Maria Guzman, please come join us. Thank you and welcome. We can start in any direction. Why

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don't you go right ahead.

ANNA LEVIN: Okay. Thank you.

Good afternoon. My name is Anna Levin and I'm the Chair of Community Board 4's Clinton Hell's Kitchen Land Use Committee. I'm one of three speakers today on behalf of Community Board 4. I wanted to note that our Chair John Daniel Noland is also here but he's not speaking.

We oppose this project because of three fundamental defects in the proposed affordable housing development program, most of which have already been elicited in previous questions. First the site's being developed because of a commitment to our community during the Hudson Yards rezoning. That commitment was that this site would be as primarily for permanently affordable housing for moderate and middle income families. That commitment is not being kept and it does not bode well for the affordable housing commitments for our community but also to other communities such as Green Point, Williamsburg, West Chelsea, 125th Street and Willits Point.

Second, development on land

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2 acquired by NYSHA for affordable housing should
3 not involve so many market rate units. Here it's
4 36% of the total proposed units. As driven by the
5 enormous purchase price that Atlantic Development
6 is paying to NYSHA, the RFP required a \$5 million
7 purchase price. Atlantic won the bid by offering
8 \$12 million or maybe even \$15 million as we've
9 just heard from Ms. Popkin.

10 NYSHA has tremendous financial
11 problems but they're not going to be solved by \$5
12 million or \$12 million from a private developer.
13 Public land for affordable housing is scarce and
14 should not be used for affordable housing.
15 There's the opening round of a policy debate we
16 have to get this one right.

17 Finally, to finance the project
18 Atlantic plans to qualify the low income housing
19 as inclusionary housing, generating 400,000 square
20 feet of development elsewhere in our district
21 under the inclusionary bonus. This will supply
22 certificates for all of the remaining development
23 sites in the special Clinton district where the
24 inclusionary bonus can be used with a result that
25 no more on site inclusionary housing will be

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2 built.

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4 This project involves modification
5 of the original plans approved for this site by
6 the Board of Estimate in October 1972 under the
7 Clinton Urban Renewal Plan. Those plans
8 contemplated development here of public housing
9 and there is a deed restriction that limits
10 dwelling units on the property to "persons or
11 families whose incomes do not exceed the maximum
12 income limits established by the City of New
13 York". That covenant does not expire until next
14 year on October 23, 2009.

14

15 The applications for the proposed
16 Atlantic Development project included originally
17 an application to modify that prior disposition
18 but that application was withdrawn. The project
19 can not proceed without that modification
20 presumably by the City Council as successor to the
21 Board of Estimate.

21

22 Back to the project, the scale and
23 shape of the proposed buildings is not
24 overwhelming and in fact, the buildings look
25 pretty good. If they contained acceptable
affordable housing we'd be pleased to support the

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2 special permit to modify the height and set back
3 regulations. Next, plans for relocating the
4 existing playground and for landscaping, lighting
5 and improving the area must be pinned down and
6 finalized in writing as Ms. Popkin indicated they
7 would be. That hasn't been discussed publicly
8 yet.

9 Finally, the Clinton Urban Renewal
10 plan expires on October 23, 2009. The urban
11 renewal area still includes a number of city owned
12 parcels for which plans are underway but
13 development will certainly not be completed by
14 next year. As Council Member Brewer indicated,
15 the plan should be renewed, we say, for another 10
16 year to October 2019. Thank you.

17 CHAIRPERSON GARODNICK: Thank you
18 very much. Ms. Desmond.

19 SARA DESMOND: Good afternoon. My
20 name is Sara Desmond. I am the Executive Director
21 of Housing Conservation Coordinators and I'm co-
22 chair of Manhattan Community Board 4's Committee
23 on Housing, Health and Human Services. Thank you
24 fro the opportunity to testify on this matter.

25 It's a complicated site. The NYSHA

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2 Harbor View site is located not only on the
3 Clinton Urban Renewal that was condemned in 1964
4 for development as affordable housing. It's part
5 of a site that was subject to the large scale
6 residential plan which this particular parcel,
7 Parcel One, was set aside specifically for public
8 housing. That's subject to the land disposition
9 agreement that Anna mentioned in her testimony as
10 well.

11 The site is also subject to the
12 commitment made by the administration in the
13 Hudson Yards rezoning to be developed as
14 affordable housing. The administration thought to
15 achieve its commitment that 28% affordability
16 through the development of on site inclusionary
17 housing both within the Hudson Yards but also on
18 the specific off site publicly owned parcels
19 located throughout the community board. The
20 Harbor View site, as we discussed earlier, was
21 specifically mentioned as one of those parcels.

22 The proposed housing plan fails to
23 meet the commitments made in the follow up
24 corrective actions of the Hudson Yards. Some are
25 counter intuitively; this public site was

1
2 specifically targeted to provide predominantly
3 moderate and middle income housing since the
4 private sites through the use of the inclusionary
5 bonus in the Hudson Yards would produce the actual
6 low income units. The proposed plan does not meet
7 the commitments for the moderate and middle income
8 units but further, because of the financing
9 mechanism that they're using, the inclusionary
10 housing bonus, they are actually detracting from
11 units that we would otherwise get in the special
12 Clinton district.

13 The way the inclusionary housing
14 bonus works is that a developer funds the
15 development of affordable housing. It then
16 generates certificates that can be used on off
17 site development within the Clinton special
18 district so that a developer can build higher than
19 as of right. In this particular case it's going
20 to generate more than 450,000 square feet of
21 development rights. So any new developer who
22 comes into our community as a matter of course,
23 won't have to build this affordable housing.
24 They'll simply buy these certificates from the
25 plan deck.

1
2 These are low income units that we
3 would normally get as a matter of course in the
4 regular private market. So they are replacing
5 what we would normally get and calling it a
6 fulfillment of the Hudson Yards point of
7 agreement, which is not correct. We're also
8 losing the benefit of having those low income
9 units being located through our buildings and
10 having mixed income buildings.

11 We're getting all of the low income
12 units in one building and all of the market in
13 another. We're getting the density but we're
14 losing the affordable housing commitment. And I
15 think that's really important. It's not only the
16 moderate income that we're getting but the low
17 income units that we're placing, there are ones
18 that we would get.

19 Finally this is a precedent setting
20 project; it's going to affect the city wide. Yes,
21 we're sensitive to NYSHA's financial problems but
22 let's do it in a thoughtful way. Let's look at
23 plans of leasing. Let's look at maybe development
24 right sales here. Let's look at maybe other
25 options but let's just not sell something for \$12

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2 million, \$15 million, whatever we're hearing
3 today. Thank you.

4 JOE RISTUCCIA: My name is Joe
5 Ristuccia. I'm the Executive Director of Clinton
6 Housing Development Company, a developer of
7 affordable housing of Clinton and the co-chair of
8 the Housing and Human Services Committee on
9 Community Board 4. I will speak to financing and
10 politics.

11 This is the first time since 1982
12 that Community Board 4 has opposed an affordable
13 housing project and you have to ask why. I am
14 speaking against an affordable housing project
15 because it is a project that just has too much
16 freight. In fact, although Gale was not at
17 meetings for Hudson Yards except for a few I was
18 at all the Hudson Yards meetings.

19 I went to my community and I went
20 to the residents of the Harbor View houses,
21 Elliott Chelsea Houses and the Fulton Houses at
22 HPD's request. And sold to them that in fact
23 those public sites would be developed for moderate
24 and middle income housing, not market rate
25 housing. It was a heavy lift to do because we

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2 were told over and over we could only have the
3 moderate and middle on the public sites; the
4 private sector would do the low income housing.
5 We sold it, they bought it and it's a commitment
6 that should be kept and that's not where we are
7 today.

8 The moderate and middle income
9 housing, to build it in this city you need HPD
10 capital subsidy. This project simply needs more
11 dollars. It needs low or no land acquisition.
12 It's either \$5, \$12 or \$15 million. It is limited
13 at \$40,000 per dwelling unit for subsidy.
14 Projects like this in Harlem, projects like this
15 in Central Brooklyn are between \$60,000 and
16 \$90,000 per unit for capital subsidy from HPD.
17 You take that lack of money, load it on to the
18 market rate policy question, load on to that the
19 inclusionary use on top of it and this project is
20 just carrying too much freight.

21 Why is it so needlessly
22 complicated? Because it's trying to serve Hudson
23 Yards, NYSHA and HPD at the same time.
24 Development rights are selling for roughly \$250 a
25 square foot. It may be down to \$230. I have for

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2 the Committee an ad from Atlantic for a property
3 they had advertised in February at \$250 square
4 foot. That means that the sale of these rights
5 would generate approximate \$90 million, net the
6 cost of the building somewhere between \$40 and \$30
7 million.

8 If there is going to be an eventual
9 generation of funds, let's say \$30 or even say \$20
10 million, what are we doing? Are we really
11 benefiting NYSHA? No, we're benefiting the
12 particular developer who is taking a lot of risk
13 but why don't we have a lease and maybe spread
14 that risk and let NYSHA get an upside of this, if
15 it has to happen at all.

16 We do know that this project needs
17 more capital subsidy. We need to embody the unit
18 distribution in a land distribution agreement
19 which details the income bands, the apartment size
20 and the number of units for both. And we have to
21 acknowledge this will have an impact on the
22 Chelsea sites. Irrespective of the fact that
23 NYSHA testified it would not, the developers have
24 approached Community Board 4 and talked about the
25 inclusion of market rate units in those properties

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in order to make them work. This is very

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disturbing for us because it's not our deal.

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Economics rule, we're clear about

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that. But commitments made on Hudson Yards also

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must be kept. Otherwise when we have new

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commitments like Willits Point recently, what is

8

the purpose of this? Thank you.

9

CHAIRPERSON GARODNICK: Thank you.

10

Ms. Guzman.

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MARIA GUZMAN: Good afternoon. My

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name is Maria Guzman and I am the President of the

13

Tenant Association at Harbor View. I'm here today

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to represent more than 300 families that live in

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Harbor View and some of them are here today.

16

About four years ago when the city

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was debating the Hudson Yards plans, we agreed to

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give up part of our development, the basketball

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court and some open space so that we could get

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more affordable housing in the plan for our

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neighbors. It wasn't easy to get the folks here

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to agree but we did it because we knew how

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important affordable housing is in our

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neighborhood and we want to make sure that our

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friends and families have somewhere where they can

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live.

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But the plan we're talking about today is not what we agreed to. We didn't expect market rate housing in the plan. And we didn't expect all these restrictions that will prevent many of our people from being able to live here. Harbor View has a very diverse population; some people are very poor, some are not, but nobody is very rich. We have a lot of seniors and a lot of families. But our seniors won't be able to afford to live in this new building. A lot of the new development is reserved for seniors and for luxury housing so a lot of the families in our neighborhood won't be able to live there either.

We expected for this site to provide middle, moderate income housing. We didn't talk about any restrictions. There are also some concerns for the people at Harbor View about the open space. We're giving up a lot of our open space for this building and we're giving up our basketball court. We need for the new development to fix the plaza in front of our building and restore the tot lot [phonetic] to something that we can all work with and make sure

1
2 that the whole open space works together and that
3 it's nice, not just part that's next to the new
4 building.

5 We want to be integrated into one
6 neighborhood, not two. We're willing to give up
7 part of our property to get more affordable
8 housing because we know it's important. But this
9 proposal is not what we agreed to and it's not
10 what we need. So unless they fix the problems I
11 hope you vote no.

12 CHAIRPERSON GARODNICK: Thank you
13 very much. Questions from Council Member Brewer.

14 COUNCIL MEMBER BREWER: I'll be
15 quick because I know time is of the essence. I
16 just want, whoever was part of some of the Hudson
17 Yards discussion, just to be really specific as to
18 what was promised. And then second, when HPD was
19 talking I think it was mentioned that there are a
20 certain number of individual units in the building
21 that is not the inclusionary zoning building but
22 they're structured in a certain way. I want to
23 understand what you thought would be a possible
24 way to restructure that building so that it was
25 something that was more acceptable to the

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2 community in terms of affordable housing.

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MR. RISTUCCIA: As part of the Hudson Yards discussions, the total number of units on this site was to be 210, 155 affordable for moderate and middle. The project has grown substantially and created a huge additional number of market rate units. To make this project work is a simple formula. There needs to be more money put in on the capital side from HPD and/or the developer's purchase price needs to be either lowered or spread out over a period of years.

CHAIRPERSON GARODNICK: Thank you very much to all of you. The next panel is a solo, Geralyn Perrine. Ms. Perrine as you come up I'm also going to ask for a vote on several of the other items that we heard already today. We're going to lay over Harbor View so I just want to make that very clear. We're not voting on Harbor View today but we are going to vote on those several items that we had hearings on before. If you will recall, the Maria Lopez Plaza, a couple of items in Brooklyn and an item in Queens. Just to be very clear, that is Maria Lopez Plaza, Land Use number 853, 854 and 855. And we're going to

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2 couple those three items together for the purposes
3 of voting today and we're going to lay over all of
4 the rest of the items on the agenda today. And
5 I'm going to recommend an aye vote on those
6 handful of items and ask the Council to call the
7 roll on those.

8 CLERK: Grishen Hilton, counsels of
9 committee. Chairman Garodnick.

10 CHAIRPERSON GARODNICK: I vote aye.

11 CLERK: Council Member Gonzalez.

12 COUNCIL MEMBER GONZALEZ: Aye.

13 CLERK: Council Member Dickens.

14 COUNCIL MEMBER DICKENS: Aye.

15 CLERK: By a vote of three in the
16 affirmative, none in the negative and no
17 abstentions, the items are approved and referred
18 to the full Land Use Committee.

19 CHAIRPERSON GARODNICK: Thank you
20 very much Mr. Hilton. Thank you Ms. Pireen for
21 your patience while we took care of those other
22 items but we're glad you're here. As soon as
23 you're ready please go right ahead.

24 GERALYN PIREEN: Thank you. My
25 name is Geralyn Pireen and I'm the Executive

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2 Director of the Citizens Housing and Planning
3 Council. Prior to coming to CHPC I served in New
4 York City government for 26 years including four
5 years as the Commissioner of the Department of
6 Housing Preservation and Development. And somehow
7 from my first job in 1978 as a junior planner at
8 the Department of City Planning, every job I've
9 had has involved me in the Clinton Urban Renewal
10 area. I'm not sure why that is but...

11 I appreciate the opportunity to
12 testify in support of this supportive, innovative
13 affordable housing project. No city in America
14 has maintained a commitment to the development and
15 preservation of affordable housing which even
16 approaches the size and scope of New York City's.
17 Born out of the depths of the city's housing
18 abandonment and neighborhood collapse of the 70s
19 and 80s, it's success was due largely to an
20 unprecedented collaboration between government,
21 financial institutions, for profit and not for
22 profit organizations and finally the communities
23 themselves.

24 Community Board 4 was an early
25 leader and partner in these efforts. Through four

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2 mayors and a variety of economic cycles, working
3 with Community Board 4 the city's affordable
4 housing programs were put to work to preserve the
5 end rim [phonetic] stock, create low income
6 cooperatives, build new affordable housing and
7 supportive housing for our most fragile citizens.
8 Through this collaborative approach, they reshaped
9 the Clinton Urban Renewal Plan and the city's
10 zoning resolution to make it happen. Few
11 community boards have worked as hard or as
12 professionally to protect their diverse
13 neighborhood character while making room for our
14 neediest residents.

15 With that in mind, I hope that you
16 will approve the items before you so that this
17 project may move forward, knowing that its final
18 shape may not perfectly meet the expectations of
19 the community for this site. At the core, the
20 Land Use items before you really are not in
21 dispute, rather the distribution of affordability
22 of the housing that will be constructed as been
23 the subject of discussion.

24 The latest analysis - and I
25 apologize if my numbers are wrong, Council Member

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2 Brewer I'm using your numbers - indicates that 60%
3 of the units will be created in these two
4 buildings will be affordable to a range of incomes
5 to low to moderate to middle, with 40% set aside
6 for market rate development. This is an
7 extraordinary commitment, which may not reflect
8 which was originally sought but surely represents
9 a significant and important contribution to
10 affordable housing.

11 In addition, the revenue that NYSHA
12 will receive from even their below market sale of
13 the site will help them to preserve their existing
14 inventory, which is being severely threatened by
15 federal cuts. One can not underestimate the sever
16 financial downturn that is impacting affordable
17 housing development. Banks are in turmoil,
18 government resources are under tremendous pressure
19 and construction lending for residential
20 development, risky even in the best of times with
21 few players in the marketplace is now severely
22 threatened.

23 Here is an opportunity that should
24 not be missed. No project can meet every need
25 however, this one comes awfully close. It is in

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2 effect, a creative use of NYSHA property,
3 government subsidies and private investment that
4 creates the outcome of the Federal Hope 6 program,
5 creating mixed income areas with housing
6 opportunities for NYSHA residents. But unlike
7 Hope 6, which is predicated on the demolition of
8 public housing, here it is preserved and
9 additional housing is created.

10 I'm sure that HPD and NYSHA will
11 continue to work to provide the resources needed
12 to ensure that the maximum amount of affordable
13 units will be provided here. I don't want to take
14 up all your time.

15 CHAIRPERSON GARODNICK: Well thank
16 you. Let me just jump in with a question here
17 because I appreciate what you are saying toward
18 the end of your testimony. I can help you along
19 here in saying really you're talking about the
20 needed revenue for NYSHA. And I certainly
21 appreciate that. I know my colleagues all
22 appreciate that. We frequently try to do anything
23 and everything that we can to help NYSHA in the
24 difficult situation that it is in today.

25 But there appears to be something

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2 perhaps a little different about this proposal in
3 that it is not just using unused development
4 rights of NYSHA. There is additional context here
5 where this was supposed to be the affordable
6 housing off site development for the Hudson Yards
7 plan. Does that not change anything for you? Why
8 shouldn't we be considering that as a factor here?

9 MS. PIREEN: Again, I think what I
10 was trying to say is--I wasn't party to the Hudson
11 Yards agreement or in any of those discussions. I
12 understand that there was a commitment for a
13 description of a project in the Hudson Yards
14 agreement that does not exactly follow what this
15 project now has become. I don't think that's a
16 reason to turn down this project.

17 I think it's a reason to try to
18 continue to work with HPD to try to add additional
19 subsidies to the project to take into
20 consideration whatever urban design improvements
21 can be made in the project. I don't think it's a
22 reason not to do the project. This is a very good
23 project in and of itself. There's a great amount
24 of affordability in this project. This is a very
25 difficult time to get any kind of housing

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2 development done, even market rate housing;
3 nothing is happening right now.

4 It's an important economic engine
5 for us and I would like it to be what the Hudson
6 Yards agreement could meet. But if that's not
7 possible, let's get as close as we can get. I
8 think you can do that by approving these items and
9 by continuing to work with HPD to add additional
10 city subsidies.

11 CHAIRPERSON GARODNICK: In your
12 capacity as HPD Commissioner, just going backwards
13 for one of the questions that I asked of the
14 initial panel, the applicant. The idea that the
15 off site affordable housing for Hudson Yards would
16 be one, put on NYSHA property as potentially a
17 higher mix of market than anticipated. But
18 secondarily, generating development rights itself.
19 Is that something that you have encountered before
20 or is this also without precedent?

21 MS. PIREEN: Nobody has really
22 encountered exactly this before, right? Because
23 you've got a whole changing zoning landscape that
24 grew out of Hudson Yards. Certainly the idea of
25 using an off site benefit, in some ways this is

1
2 more akin to the old 421A program than it is to
3 the old inclusionary zoning program, where you're
4 using development rights and you're generating low
5 income units by doing that.

6 Is it troubling to me? No.
7 Actually it's a way for the city to save its
8 scarce subsidies for low income housing that it
9 doesn't have to put onto this site because the
10 inclusionary benefit will in effect fund the low
11 income units in the - I forget if it's the north
12 or the south building, the smaller building.
13 Allowing the city to take other resources for low
14 income housing and spend it elsewhere.

15 Could you argue that it shouldn't
16 be done that way? People can make that argument.
17 I don't have a problem with doing that. Whenever
18 the city can save its scarce resources, spread
19 them around as best they can, I think that's a
20 huge advantage. There's no question that the
21 community here is advocating for what was
22 promised. They are not in any way, I think,
23 asking for anything that is unreasonable.

24 I don't have a problem with adding
25 additional low income units, which is essentially

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2 what's happened here, more low income and more
3 market rate. That's essentially where the change
4 in the distribution has come from, in reducing the
5 mod/middle. To me, it becomes a mixed income
6 site. I think that's sort of the spirit of what
7 the Mayor's original housing plan hoped it could
8 do on a NYSHA site. And it's, in fact, what's
9 being done with NYSHA sites all across the
10 country. Only across the country they're
11 demolishing their public housing, that's not
12 what's happening here.

13 CHAIRPERSON GARODNICK: Thank you.

14 Council Member Brewer.

15 COUNCIL MEMBER BREWER: Thank you
16 very much for all your support and input. I don't
17 know about Hope 6 is a good example, that would be
18 the having spent--

19 MS. PIREEN: [interposing] Without
20 demolition. Hope 6 without demolition.

21 COUNCIL MEMBER BREWER: I spent a
22 little bit of time in Arvern, Edgemere and there's
23 a little project in Brooklyn that I think is kind
24 of a mess but that's okay. Hope 6 is not the best
25 example.

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2 But my question is do you think
3 that with the increased subsidies that HPD could
4 provide that this would meet the spirit of what we
5 described as the original Hudson Yards project?

6 MS. PIREEN: I believe you could
7 get much closer. I don't know that you could get
8 exactly. I think you're going to need those
9 market rate units to generate, to cross subsidize
10 the project even with some additional subsidies.
11 But with some additional subsidies, you could
12 certainly get a larger proportion of moderate and
13 middle that would look more like what the Hudson
14 Yards agreement laid out. I obviously don't know
15 what HPD's budgetary constraints are and I'm sure
16 they've got many, many calls on their budget for
17 things.

18 COUNCIL MEMBER BREWER: They have
19 lots of money.

20 MS. PIREEN: But as they say, money
21 can't buy happiness but it can calm the nerves. I
22 think the additional subsidies could go a long way
23 here.

24 COUNCIL MEMBER BREWER: Since you
25 do have so much experience with the Clinton Urban

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2 Renewal area and that was brought up earlier, do
3 you think that some of those restrictions that
4 were outlined were applicable to this development?

5 MS. PIREEN: Do you mean the
6 extending their renewal plan or--

7 COUNCIL MEMBER BREWER:

8 [interposing] Extending the urban renewal plan and
9 the discussion that was brought up that this site,
10 since it is part of the urban renewal plan that it
11 should have more affordable housing on it.

12 MS. PIREEN: In terms of extending
13 the urban renewal plan, absolutely. That should
14 be done because I think as you've heard from the
15 last panel, there are other sites in play in the
16 urban renewal plan. You don't want to create
17 uncertainty there, you want to keep that. Also,
18 this has been an extraordinarily successful urban
19 renewal plan.

20 COUNCIL MEMBER BREWER: Very, very.

21 MS. PIREEN: In that it's changed
22 and it's adapted over time. I'd have to actually
23 go back and I haven't actually read this plan for
24 many years. So I don't remember the specific
25 restrictions on this site. To say that the site

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2 was set aside for public housing is probably
3 correct. To say that that means that the only
4 thing you could ever do going forward is more
5 public housing, I'm not sure that's correct. It's
6 sort or more a legal question.

7 Obviously, if that was the case
8 then that is a problem because there is no funding
9 for public housing going forward. We haven't seen
10 a new unit of public housing built, I don't know,
11 since the early 80s. Probably the Dome site is
12 the last one. I think the spirit--I think the
13 urban renewal plan should be extended. And I also
14 believe that a good regulatory agreement here,
15 which both NYSHA and HPD have a lot of experience
16 doing, will preserve affordability for what people
17 are looking at and can be very specific.

18 COUNCIL MEMBER BREWER: Okay.
19 Thank you very much. I just also want to mention
20 Mr. Chair that we had about 40 people here from
21 Harbor View and they had to get back on the bus.
22 But they were here and I just want to make that
23 clear. Thank you very much.

24 CHAIRPERSON GARODNICK: Thank you
25 Council Member Brewer. And thank you Ms. Pireen.

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2 We're now going to go to our next panel, which is
3 Miguel Asaveto. Mr. Asaveto are you here? There
4 you go, thank you. Jimmy Pulsy. Mr. Pulsy is
5 that you? Great. Eugene Glaiborman. Mr.
6 Glaiborman are you still around?

7 COUNCIL MEMBER BREWER: Yes. He's
8 right here.

9 CHAIRPERSON GARODNICK: Okay.
10 Hello, welcome. And Selma Murphy-Hill. Sorry.
11 Velma. Okay. Great. Welcome to all of you. You
12 can go right ahead and get started, introduce
13 yourself. Thank you and go right ahead.

14 MIGUEL ASAVETO: Good afternoon.
15 My name is Miguel Asaveto. I'm a resident of
16 Robert Fulton Houses, also a member of Community
17 Board 4, also the Director of Fulton Youth for the
18 Future. My biggest concern here is as we spoke
19 daily at a number of meetings with HPD, with NYSHA
20 and this developer and also the developer of
21 Fulton Houses to secure the families, especially
22 my kids. I have three kids that are in college,
23 who are looking forward to staying nearby me and
24 continue to reside in our community.

25 As we see a number of market rate

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2 buildings being around Fulton Houses and earlier
3 Chelsea Houses, we're afraid if we let any market
4 rate houses go into the public lots, parking lots
5 then we're just basically going to say kiss it
6 goodbye to public housing in Chelsea or Clinton.
7 So the families are worried about this.

8 They don't want to support any
9 market rate housing because it will and definitely
10 set a precedent at Fulton and earlier Chelsea. If
11 you don't stop this then I don't know what to tell
12 my kids or tell other families that we told at
13 numerous meetings that we're going to have 100%
14 affordable housing in these parking lots. So I
15 urge you guys to please vote this down.

16 CHAIRPERSON GARODNICK: Thank you.
17 Sir.

18 JIMMY PULSY: Good evening. My
19 name is Jimmy Pulsy and I'm a member of Community
20 Board 4. I was the former President of the Fulton
21 Houses Tenants Association for the last ten years
22 representing about 944 apartments and over 3,000
23 tenants that lives in Fulton Houses. I was one of
24 the originals that sat down with HPD and all the
25 planning we got from NYSHA saying we would like to

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2 take up some land and build affordable housing. I
3 had to sell this to the tenants. The night that
4 we had this meeting, I imagine there was about 300
5 people of the tenants to show up in one area just
6 to believe that we were going to get affordable
7 housing within the neighborhood so that our kids
8 could come back and say, hi pop, hi mom, how are
9 you doing?

10 Many of our children and our
11 tenants have gone to secure government jobs and
12 professional jobs and is in the middle class and
13 would like to return back into Chelsea and
14 Clinton. But how can they when you're going to
15 tell us about market rate? You can't live that
16 way. These are people who try to live according
17 to our lives. We do not feel as though we were
18 giving up anything. But now they are trying to
19 say to us, you must live not according to life but
20 the way we want you to live. I plead with you,
21 please vote down this idiotic thing.

22 We were lied to. The promises that
23 NYSHA made, they lied to us. Now all of a sudden
24 they want to change the rules of the game. It's
25 not fair. It's not fair to the families. It's

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2 not fair to the people who live within Clinton and
3 the Chelsea area. So I plead with you please vote
4 down this issue that they have for market rate
5 housing. Let it all be affordable housing.
6 That's what it's supposed to be and that's what we
7 agreed on. Thank you.

8 CHAIRPERSON GARODNICK: Thank you
9 Mr. Pulsy. Mr. Glaiborman.

10 EUGENE GLAIBORMAN: Good afternoon.
11 My name is Eugene Glaiborman. I wanted to express
12 my appreciation for the comments of the Chair and
13 Councilpeople Brewer and Dickens. I thought they
14 were right on the ball. I've lived in Chelsea for
15 46 years. I am the President of the Chelsea
16 Midtown Democratic Club. I was an original member
17 of the steering committee of Afford Chelsea, The
18 Community coalition that fought for and won the
19 commitment from the city that 27% of the units in
20 rezoned West Chelsea would be affordable to low,
21 moderate and middle income families. I am a
22 current member of CB4 and a member of its two Land
23 Use Committees.

24 As such I am also well aware of the
25 Hudson Yards struggle and the commitment that was

1
2 won that the Harbor View site would be included as
3 one of the three public sites in the Hudson Yards
4 affordable housing package. That would
5 consequently be used primarily for permanent
6 affordable housing for moderate and middle income
7 families. Given the long and cooperative
8 relationship between CB4 and HPD, I am genuinely
9 dismayed by HPD's sudden departure of this long
10 shared commitment for affordable housing on the
11 Harbor View site and the rejection of the Hudson
12 Yards commitment.

13 More than this I find the notion of
14 market rate housing being built on land acquired
15 by NYSHA for affordable housing totally
16 unacceptable. It is worth quoting CB4's take on
17 this development. "The sale of scarce resource
18 publicly owned land, whether or not controlled by
19 a public authority, to fund operating deficit does
20 not make financial sense. It is a quick time fix
21 in an attempt to remedy a structural financial
22 problem. Decisions made for Harbor View to
23 include market rate units will be precedent
24 setting of the entire NYSHA housing inventory city
25 wide."

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2 I agree and it is clear that
3 Elliott, Chelsea and Fulton Houses will be next in
4 line. Market rate units on NYSHA land must be
5 rejected. The Chelsea Midtown Democratic Club
6 urges the city and NYSHA to live up to its
7 commitment to provide 100% affordable housing on
8 the Harbor View site.

9 My last thought, in two months
10 another administration will be taking control of
11 the country in Washington, an administration that
12 will be much more sympathetic to low, moderate and
13 middle income people and the housing that they
14 require. I suggest that this proposal be rejected
15 and that the hope that the new administration will
16 bring to the country and to this city because it
17 will fund the states, which will fund the cities,
18 which will fund the localities. So keep that in
19 mind, please. Thank you very much.

20 CHAIRPERSON GARODNICK: Thank you,
21 sir. Ms. Hill.

22 VELMA MURPHY-HILL: Thank you very
23 much. And thank you for allowing me to testify
24 this afternoon. My name is Velma Murphy-Hill.
25 It's all right, I have a sister named Thelma and

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2 they get us confused all the time. I was the co-
3 chair of Afford Chelsea, which was that community
4 coalition that brought together not just housing
5 groups. But brought together religious
6 organizations, labor organizations and elected
7 officials in the West Chelsea rezoning area. And
8 I'm also a member of Community Board 4. But I am
9 speaking as the president of the Chelsea Community
10 Council. That community council has been in
11 existence for many years and has representation
12 from both the Fulton and the Elliott Chelsea
13 housing.

14 Now during this session, you have
15 already heard from the community board. You heard
16 its responses to the application related to the
17 development of affordable housing on the NYSHA
18 Harbor View site. I'm here to tell you that the
19 community board is not alone in its response to
20 these applications. The following organizations
21 have endorsed the community board position and
22 call for the elimination of market rate units at
23 Harbor View and the other sites and for the
24 institution of 100% affordable housing.

25 Now, these organizations, I want to

1
2 name them for the record. They are the West Side
3 Neighborhood Alliance, the Housing Conservation
4 Coordinators, Harbor View, Fulton, Chelsea,
5 Elliott Tenant Associations, the Chelsea Community
6 Council, the Chelsea Midtown Democrats, the
7 Chelsea Reformed Democrats, the McManus Democratic
8 Association, the United Federation of Teachers who
9 had a delegates assembly devoted to this issue and
10 voted to support the 100% affordable housing,
11 United Here, Retail, Wholesale and Department
12 Store Union, the New York City Central Labor
13 Council, the Workers' Defense League, the
14 Workman's Circle, the Metropolitan Area, A. Philip
15 Randolph Institute and that list is growing very,
16 very large.

17 I want the Council to know that
18 this issue is an issue that really concerns a
19 community and we know that the middle class can
20 not get an apartment in Manhattan. It is just
21 impossible. When we looked at the World Trade
22 Center and those first responders who were firemen
23 and policemen, they could not live in our
24 communities. That is a crime. We have got to re-
25 double our efforts for the middle class to find a

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2 place to live with their families in our
3 communities. Thank you so much.

4 CHAIRPERSON GARODNICK: Thank you
5 and thanks to all of you for being here and for
6 your testimony today. We very much appreciate
7 your insights. Thank you. We'll call the next
8 panel. Harvey Epstein, Brad Lander. Mr. Epstein
9 is still here? He stepped out but he is coming
10 back. I'll call him again. Brad Lander, Dave
11 Hansel, forgive me if I get this garbled Deli
12 Garinelli? Deley Gazinelli, sorry and Kathleen
13 Treats. Ms. Treats? Mr. Lander if you would like
14 to start us off.

15 BRAD LANDER: Thanks very much
16 Chairman Garodnick, Council Members Brewer and
17 Dickens, it's an honor to be able to present to
18 you today. You've heard the details over and over
19 again so I'll skip them. I just want to make two
20 points.

21 First I think we've heard a little
22 bit of a cavalier approach to the Hudson Yards
23 rezoning agreement as though if the individuals
24 who negotiated it weren't in the room. Somehow
25 they can't be as an agency or as a city or as a

1
2 body, held responsible. If we don't take the
3 rezoning agreements that we made in Hudson Yards
4 and Greenpoint Williamsburg and 125th Street and
5 Willit seriously, I think we'll have a big problem
6 in the days and months and years to come.

7 There are a lot of communities that
8 invested a lot in those agreements that work with
9 our Council Members to achieve them. If we're
10 going to decide that they were sort of in the
11 spirit of affordable housing as opposed to really
12 what they said on paper and what was agreed to by
13 this body and by you all and by the other side of
14 City Hall, I think we're in trouble. A lot of
15 wonderful work went into that agreement. I think
16 it would be a real shame that when the rubber hits
17 the road we don't want to hold to it.

18 Secondly, this is an important
19 opportunity to ask a lot more questions of NYSHA
20 and HPD about this collaboration. They are
21 launching a new program and we really don't know
22 that much about it. We don't know how we're going
23 to decide whether it's money to NYSHA. How we're
24 going to decide whether it's a sale or a lease.
25 How we're going to decide what level of income

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2 receives the affordable housing. How it's going
3 to be financed. What the long term restrictions
4 are going to be. How we're going to know it's
5 permanently affordable.

6 This is exciting and I actually one
7 thing I really agree with Geralyn on. Although I
8 don't agree that you should approve this. Is that
9 this is a smart approach to tapping into NYSHA
10 land to achieve a balance of good things, some
11 affordable housing, some benefits for the local
12 residents in terms of jobs and open space. In
13 this case I think more is being taken away than
14 given since the basketball court is being removed
15 and it's not clear to me what the benefits are to
16 immediate residents there.

17 But there's a lot on the table and
18 I'm glad they're doing it this way without
19 displacement. But if we don't know more about how
20 this program's going to work, how those decisions
21 are going to be made, is it a program. If
22 everything's going to be a one off deal and then
23 even those one off deals are subject to
24 renegotiation if they're inconvenient. It's not
25 going to work well for us.

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2 So I hope that you either severely
3 alter or if you can't get enough change to this
4 deal, unfortunately have to vote no on it. But
5 then go beyond and team up with the public housing
6 sub-committee and do some other hearings to figure
7 out what are the guidelines going to be. It is
8 critical that we get this program right. It's the
9 right idea in principle. We offer a few more
10 ideas in my testimony.

11 We're actually going to put
12 something out in the next couple of weeks that
13 looks at all the RFPs they've done so far, what
14 they add up to and what some of the guidelines of
15 such a program ought to be. But I hope you'll
16 move forward to help make sure we get this entire
17 program right as well because it is a great
18 opportunity if we do it right. Thank you.

19 CHAIRPERSON GARODNICK: Thank you.
20 Go ahead.

21 DAVE HANSEL: Good afternoon
22 Chairman Garodnick and Council Members Brewer and
23 Dickens. Thank you for this opportunity to
24 testify. My name is Dave Hansel, I'm a Policy
25 Director for the Association for Neighborhood and

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2 Housing Development. As you know ANHD is a
3 membership organization of 97 neighborhood based
4 non-profit housing groups whose mission is to
5 preserve and develop affordable housing in every
6 neighborhood across the city.

7 For over 30 years community
8 development corporations have labored to meet the
9 housing needs of low, moderate and middle income
10 families. The city especially NYSHA and HPD have
11 been key partners in helping ensure all New
12 Yorkers have access to safe and affordable
13 housing.

14 Now, more than ever however, New
15 Yorkers are struggling to pay for this housing.
16 Diminishing real incomes and federal investment in
17 housing programs combined with weakened laws
18 governing rent regulated housing, sub-prime
19 lending and the rise of predatory equity investors
20 like those who purchased Stuyvesant Town and Peter
21 Cooper Village. That led to fewer available units
22 and greater pressure on lower rent paying
23 residents to vacate their homes in favor of more
24 affluent residents.

25 The structural causes of NYSHA's

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2 operating deficit are unfortunate. However the
3 proposed sale of public land for a one time
4 infusion of revenue is both bad public policy and
5 a short-sided decision. As part of its permanent
6 affordability campaign ANHD has pushed the city to
7 institute a land use policy that ground leases
8 publicly owned land to developers in exchange for
9 requiring that the project be rented only to low
10 and moderate income persons over the very long
11 term.

12 Utilizing a ground lease structure
13 will not only ensure the city retains control of
14 the land for maintaining affordability purposes,
15 it would also result in the steady in flow of
16 revenue for NYSHA for years to come. Therefore,
17 Manhattan Borough President, Scott Stringer's
18 recommendation that NYSHA develop a thoughtful
19 plan to fully utilize its assets seems like an
20 important first step before any further action is
21 taken.

22 It is especially troubling the city
23 considers it appropriate to use public land, one
24 of its most valuable resources, to develop market
25 rate housing. Public resources should benefit the

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2 public good, which in the case of affordable
3 housing development means meeting the needs of
4 those residents who are not served by the market.
5 The past few years have seen a historic level of
6 new building permits issued, yet the overwhelming
7 majority of these units are unaffordable to
8 working class New Yorkers.

9 Given the site is not subject to
10 the same rigorous ULURP requirements as city owned
11 land, we ask that the committee consider the
12 implications of approving or denying the Harbor
13 View applications for all future NYSHA sites.
14 There is deep concern from the community that this
15 may lead to a precedent where other NYSHA and city
16 owned land is sold for market rate development.

17 As it's been mentioned, we are now
18 facing scarce public availability of public
19 resources. We believe it's critical to allocate
20 them in such a way that it enhances economic
21 diversity of neighborhoods and protects the city
22 low, moderate and middle income residents. Thank
23 you.

24 CHAIRPERSON GARODNICK: Thank you.
25 Ms. Treat.

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KATHLEEN TREAT: Good afternoon.

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I'm Kathleen Treat. I'm Chair of the Hell's

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Kitchen Neighborhood Association. I'd like to say

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how grateful we are that Ms. Dickens and Gale

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Brewer are in our corner. This is going to be a

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long fight apparently. I don't believe that the

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political philosophy of privatization has anything

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to do with land owned by this city. I've seen our

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parks being privatized, which is a different

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issue.

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I don't think we can compromise on

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promises made to New Yorkers who live in our

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neighborhood or in any neighborhood. A promise is

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a promise is a promise. A market rate studio in

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our neighborhood goes for nearly \$2,000 a month.

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Now I don't know a teacher, I don't know a

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librarian, I certainly don't know a playwright who

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could afford that.

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The other very disturbing point to

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me about these new buildings, first of all I live

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in Manhattan Plaza which I think of as an urban

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ideal. We have people, predominantly middle class

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but lots and lots of very poor people also live at

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Manhattan Plaza. And we live together

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2 beautifully. We get along. It's no longer an
3 experiment; it's a proven--it's a wonderful place
4 to live.

5 The fact that one of these
6 buildings would segregate people economically is
7 reprehensible. It's appalling. And I hope very
8 much that the city will not win this one. Thank
9 you.

10 CHAIRPERSON GARODNICK: Thank you.

11 DELEY GAZINELLI: Good afternoon.
12 My name is Deley Gazinelli. I am the Executive
13 Director of Chelsea Sculpture Park. I was also a
14 member of Afford Chelsea organization that Velma
15 just explained. We fought very hard to get
16 affordable housing during the rezoning of West
17 Chelsea and Hudson Yards. And I'm here
18 representing today the Chelsea Cultural
19 Partnership, which are 22 distinguished arts
20 organizations that are located in Chelsea. And
21 I'm also a public member of the Housing Committee
22 of Community Board 4.

23 In 2005 at the signing of the
24 rezoning laws, the Mayor and the City Council
25 declared that the number of affordable units would

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2 include 28% for Hudson Yards and 27% for West
3 Chelsea. We are told that we could not get
4 additional mandatory affordable housing because
5 the city only owns three lots in our community.
6 Consequently, the rezoning agreement stipulated
7 that the lots adjacent to Harbor View, Elliott,
8 Chelsea and Fulton Houses were designated
9 exclusively to build 100% affordable housing for
10 moderate and middle income families.

11 Now NYSHA and HPD is proposing to
12 use the Harbor View site, publicly owned and
13 already set aside for affordable housing, to
14 include market value housing. On September 15th
15 during a hearing at the City Planning Commission,
16 where members of the community urged the
17 Commission not to approve the Harbor View project
18 until significant revisions were made addressing
19 our concerns.

20 In addition, we urged NYSHA and HPD
21 to re-negotiate the Harbor View deal with the
22 developer when we discovered that they were
23 selling the site for \$15 million to a developer.
24 We're expecting by his own admission a \$90 million
25 profit from this sale of the Harbor View

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2 inclusionary rights. Since NYSHA and HPD were
3 claiming financial hardship we advised them to get
4 a share of the \$90 million projected profit.
5 Their share of this project would mediate their
6 own budget deficit, preservation and maintenance
7 of the existing housing stock and eventually
8 continue to build responsibly additional
9 affordable housing in New York City.

10 If you approve, we fear the
11 prospect of creating affordable housing at the
12 11th Avenue corridor will be lost forever. This
13 strategy combining affordable housing and market
14 value units is unprecedented in the history of
15 both NYSHA and HPD, with sites designated for 100%
16 affordable housing. They are claiming that this
17 is a new creative way to build more affordable
18 housing.

19 We strongly reject the Harbor View
20 plan because it's one of the three sites that is
21 available for affordable housing in our community.
22 We are proud to have already thousands of units
23 serving residents of diverse and economic levels
24 in our community.

25 After the City Planning Commission

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2 hearing, NYSHA and HPD with the assistance of the
3 developer wrote the letter to each individual
4 commissioner giving them a false impression that
5 community needs were addressed. Community Board 4
6 only received a copy of that letter after the vote
7 at the City Planning Commission had already taken
8 place. NYSHA and HPD had been deceitful since the
9 beginning of this project, claiming that they have
10 constantly been in negotiation with our community.

11 Just to close, in 2005 in spite of
12 not getting mandatory affordable housing we
13 accepted the rezoning agreement in good faith. I
14 plead with this Committee not to approve the
15 project and direct NYSHA and HPD to meet with
16 Community Board 4 to address our concerns and come
17 back with a Harbor View plan that's responsible,
18 serves the city well, addresses the needs of our
19 community and sets high standards for public and
20 private partnership in the future.

21 The City of New York and the rest
22 of the country are in desperate need of
23 responsible leadership. Sweet deals are the
24 detriment of the greater good of the public. And
25 the city is a result of incompetence and lack of

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professional integrity. Thank you.

CHAIRPERSON GARODNICK: Thank you very much. Before you go, Mr. Lander, a question for you because I want to make sure that we are absolutely clear about this Hudson Yards piece. Because HPD came in here earlier and represented that the Hudson Yards agreement set a minimum commitment of 155 units of affordable housing. And then said that it would be a total of 210 overall units, suggesting that there was a door opened for 55 market units, perhaps. I just wanted to make sure that whatever is accurate is set forth here.

So I think what's clearly a violation of the Hudson Yards agreement as Council Member Brewer read is that they are not achieving the total number of moderate and middle income units combined that's in black and white. I think there's a different argument that the spirit of the agreement makes--I think people thought at the time it would be all affordable. I think if you look in black and white you can read it to find 55 market rate units. And I think you can interpret it to say if they're able to build more with an

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urban design that people can live with that goes above and beyond, that's also okay. So I can live with either of those things.

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But as currently proposed it does not achieve the minimum number of moderate and middle income units, which are in the points of agreement. That's, I think, the most specific and I think just a straightforward violation of the agreement. I think the spirit of the agreement, the use of inclusionary and these other matters, there is some room for interpretation.

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It's not just the straight out bar to market. It's the way you piece it together and whether it's the moderate and middle income in a design that works for the neighborhood. Here your testimony today is that this does not meet those criteria but that it could under a varied scenario. Is that fair?

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MR. LANDER: Yes. I think there's that minimal change to achieve the moderate and middle income units committed in the Hudson Yards points of agreement would at least bring it into technical compliance. I'm in sympathy with some of the other broad criticisms that have been spear

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2 headed about should we be doing this and how
3 should we decide. But I think that would at least
4 address the very clear, kind of black and white
5 violation.

6 CHAIRPERSON GARODNICK: That sounds
7 right. We spend a lot of time on these rezonings,
8 as you pointed out at the beginning of your
9 testimony, and they need to mean something. All
10 right.

11 COUNCIL MEMBER BREWER: Can I just
12 say something?

13 CHAIRPERSON GARODNICK: Council
14 Member Brewer.

15 COUNCIL MEMBER BREWER: I just
16 wanted to clarify because in the original, this
17 was the agreement but it didn't talk about the
18 total 210, just so we're clear. It said the
19 administration anticipates 155 affordable and then
20 it gave some AMI, some percentages. But it didn't
21 say 210, 274 or any other total number. That was
22 just brought in by HPD. There was no total. I'm
23 looking at the original thanks to the wonderful
24 Danielle D'Sorbo, just so we're clear.

25 CHAIRPERSON GARODNICK: So there is

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nothing anywhere that says the number 210?

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COUNCIL MEMBER BREWER: Or the new number 320 or the number that I heard in between, 274. I didn't know 320. I was always under the impression of 274 until today. So the total number keeps shifting and obviously the issue is the affordability percentage is not what it was originally promised, if we're looking at percentages.

CHAIRPERSON GARODNICK: That's right. If that number 210 was actually 160 then it makes it a significantly different analysis to what the percentage of affordable versus market units is. If it's 155 of 210 or if it's 310 or 410 or anything else, we're going to need to straighten that out. We thank you all for your testimony--

MR. GAZINELLI: [interposing] Just to add one thing.

CHAIRPERSON GARODNICK: Yes.

MR. GAZINELLI: When the rezoning of West Chelsea was signed, 1,000 affordable units were promised in the agreement. It's been three years, only 59 units have been built. And with

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2 the housing in disarray, the financial market in
3 disarray we probably won't get anymore. So 59 in
4 Chelsea for 1,000 promised.

5 CHAIRPERSON GARODNICK: Thank you.
6 Thanks very much to all of you. Our next panel,
7 Marquis Jenkins, not here? Dahlia DuPerroir, no?
8 Ogere Rodriguez, Maria Montalvo, left. Lisa
9 Barras come on up and Harry Epstein, I believe you
10 have his testimony. You're just going to hand it
11 over. Yes. That's fine. Come on and have a
12 seat, tell us your names before you get started.
13 I think we have Ms. Barras and ma'am what is your
14 name.

15 DAHLIA DUPERROIR: My name is
16 Dahlia DuPerroir.

17 CHAIRPERSON GARODNICK: Yes. I'm
18 sorry that I did such a terrible pronunciation of
19 that. It sounds so much better when you do it.
20 Welcome and whenever you're ready go right ahead.

21 MS. DUPERROIR: It's perfectly
22 okay. It's a tongue twister for everybody. Like
23 I said my name is Dahlia DuPerroir and I'm a
24 member of the West Side Neighborhood Alliance and
25 steering committee member. I live directly across

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2 the street from Harbor View. I, as a resident of
3 this community, feel like I'm going through the
4 stadium issues all over again.

5 The land issue. When we sell land
6 or anything for that matter, it's for profit and
7 it's not. In this case, you're giving it away for
8 short term profit. The city agencies involved,
9 have they lost their mind? I for the life of me
10 can't understand this mentality. This land was
11 earmarked for affordable housing for low to very
12 low income. The way the market has gone over the
13 years, low, mid to low income live here. This
14 property known as Harbor View should not house
15 market rate housing or entertain any ideas around
16 it. This property was always been for affordable,
17 not market, moderate housing.

18 This does set a precedent for other
19 housing public properties in the city and it's not
20 going to get any better. Before we know it, there
21 won't be any public housing for anyone to live in.
22 It will be over gentrified, taken over as
23 everything else in the community. Right now
24 everything from Harlem to Lower Manhattan are
25 condominiums. They are not affordable; they start

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2 at \$1.5 million. A studio apartment in Midtown
3 Manhattan, you can't afford it, you can't touch it
4 with a ten foot pole. Thank you.

5 CHAIRPERSON GARODNICK: Thank you.
6 Please.

7 LISA BURRIS: Hello everyone. I'm
8 Lisa Burris. I'm from good old Lower East Side
9 and I also direct a project of public housing
10 residents of the Lower East Side. It's an honor
11 to be here. I really appreciate this time to
12 speak about NYSHA's plan to sell a parking lot at
13 Harbor View Terrace Houses. And as one as their
14 way to collaborate with HPD in the Mayor's new
15 housing marketplace plan. And then two as a basic
16 way to minimize the impact of their deficit, which
17 is \$195 million and it's due to the chronic
18 disinvestment of all government levels.

19 Since 2005 our organization, Froze,
20 has been testifying about trepidations with
21 NYSHA's deficits, their comprehensive responses to
22 managing and operating under funded. And then
23 lastly the adverse effects, both immediate and
24 long term, it would have on NYSHA's existence of
25 public housing and the overall housing that keeps

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our cities affordable.

According to Duke University Medical Center, I looked this up for fun, the average onset of Alzheimer's disease is 72. Our government therefore has no excuse for their disinvestment of public housing. It's existing 71 years to be exact and we have funding cuts that go all the way back to 1998. So agencies across the country are struggling to manage and operate under funded. What they do in light of this is they apply for federal programs like Hope 6 and Moving to Work, which was eluded to earlier. And they have positive connotations but corollaries of them are development plans that produce less units that were originally built.

Also it allows housing authorities to make decisions without resident or HUD's input. They've also privatized, sold or demolished units, cut various vital management and social services and raised comprehensive fees for residents. In conjunction with the federal cuts, their monies are also drained by operating the city's and state's 21 unfunded developments and also payments to the city, over \$128 million for various things,

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sanitation, security, police services.

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This is not the way that we should go in terms of saving affordable housing and public housing in perpetuity. The Housing Authority has also got permission from HUD to transition 8,400 Section 8 vouchers. So this means that we're shrinking the amount of affordable housing that's happening in this city.

This is also a contradiction of the Mayor. The Mayor hasn't funded public housing adequately. Just this July the city passed a budget gave funding cuts to the rich, gave a little measly \$8 million to public housing. It reminds me of my friend who continues to have children with this man and he doesn't pay for them.

And that's what NYSHA does with this relationship with the city and this whole overall plan to build on underused parking lots. You can't build more housing when you're not taking care of existing affordable housing. You can't purport to do that; it's a huge contradiction. There are 6,000 units to be exact that have gone under funded since 1998 and then

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2 zeroed out completely in 2003. The same exact
3 year the Mayor launched their little marketplace
4 plan.

5 So I call on you all to have NYSHA
6 revisit those payments to the city, adequately
7 fund public housing. It's about \$30 million a
8 year. Council Member Dickens, you have the most
9 public housing in your district out of all the
10 City Council in the whole entire city so it's also
11 up to you. I'm hoping that we have you on our
12 side to oppose plans like these that contradict
13 our endeavors to save public housing.

14 CHAIRPERSON GARODNICK: Thank you.
15 Thank you very much and we appreciate your
16 testimony. That will be the last word of the day.
17 This concludes the public hearing on Land Use
18 numbers 919 and 920, the related items on Harbor
19 View. As noted before we're not going to be
20 voting on this item today. This Committee will
21 stand in recess until 9:45 on Wednesday morning.
22 And with that, we are in recess. Thank you
23 everybody.

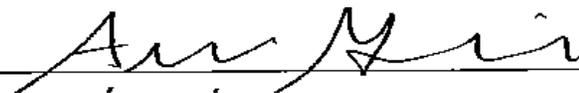
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C E R T I F I C A T E

I, Amber Gibson, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A handwritten signature in cursive script, appearing to read "Amber Gibson", written over a horizontal line.

Date December 15, 2008